

DHCD SUMMER NEWSLETTER



July 2013

Governor Patrick Announces New Homeownership Compact; Commonwealth Housing Week

June 10-16 was the first ever Housing Week in the Commonwealth and Governor Patrick kicked it off by announcing a new Homeownership Compact that creates a goal of providing 10,000 mortgage loans to firsttime homebuyers over the next five years. The Homeownership Compact includes a commitment among lenders to originate a specific number of mortgage



Governor Deval Patrick Announces the Massachusetts Homeownership Compact in Dorchester.

loans to first-time homebuyers with household incomes below the area median income through the MassHousing and the Massachusetts Housing Partnership programs.

Speaking at the home of Rashida Constantine, a first time homeowner who received her mortgage through the state program, Governor Patrick said, "By giving more young people and families the opportunity to own a home, we retain our talent pool and create sustainable long term economic growth."

Joining Governor Patrick at the event,
Undersecretary Aaron Gornstein said, "Housing is
the cornerstone to economic success in the
Commonwealth and the Massachusetts housing
market is well on its way to being fully recovered.
Through key initiatives and collaborations across
state government, we continue to ensure a stable
and robust housing market for our neighbors and
our communities."

National, regional and local banks that already support the Compact (Citizens Bank, Sovereign Bank, Eastern Bank, Rockland Bank and Trust, Enterprise Banks and Blue Hills Bank)also participated in the event. The Department of Housing and Community Development, the Office of Consumer Affairs and Business Regulation, and the Division of Banks are also reaching out to other lenders in the Commonwealth to join the Compact.

In announcing the
Massachusetts Homeownership
Compact, Governor Patrick
also proclaimed June 10-16 as
"Commonwealth Housing
Week". Throughout the week,
Undersecretary Aaron

Gornstein and Undersecretary Barbara Anthony of the Office of Consumer Affairs and Business Regulation travelled around the Commonwealth highlighting the recovery of the Massachusetts housing market and the success of the state's foreclosure prevention efforts, and the importance of local affordable housing initiatives.

At regional events, both Undersecretaries announced the award of \$1.3 million in grants to 11 foreclosure prevention centers and 10 individual/first-time homeownership centers across the state.

Undersecretary Barbara Anthony said, "The centers receiving these grants do critical work, providing valuable education to potential home buyers and aiding those who are underwater or may be at risk of foreclosure. Keeping hard working families in their homes rebuilds communities, strengthens local housing markets and aids in the state's overall economic growth."

The Division of Banks funds first-time home ownership counseling programs and regional foreclosure educational centers with administrative fees associated with the licensure of mortgage loan originators.

Commonwealth Housing Week culminated with a Housing Twitter Town Hall where Undersecretaries Gornstein and Anthony took questions online related to the housing market, affordable housing, and foreclosures.





A Message From Undersecretary Gornstein

Dear Colleagues,

Over the past year, DHCD has focused on a comprehensive approach to addressing the housing needs of low and moderate income residents. This has included: reducing the number of homeless families staying in hotels and motels; implementing significant public housing reforms, such as our new mixed finance program; creating more supportive housing for a variety of populations; greatly expanding multifamily housing production; and providing technical assistance and planning to municipalities to further community develop-

ment activities.

To complement these efforts, Governor Patrick recently announced two new initiatives: a homeownership compact to provide 10,000 mortgages to first-time homebuyers over the next five years through our successful state programs; and a Community Investment Tax Credit Program to bolster the capacity of non-profit Community Development Corporations (CDCs), which was authorized by the legislature last year.

As we begin fiscal year 2014, we look forward to deploying new resources totaling nearly \$25 million provided by the Governor and the Legislature. These resources will enable us to help families transitioning from HomeBASE, provide more than 1,000 rental vouchers, create more permanent supportive housing, and prevent thousands of families from becoming homeless. On top of that, we are optimistic that the legislature will enact a housing bond bill so that we can continue to make needed capital investments in the preservation and production of affordable housing.

I am confident that our strong partnership with a diversity of stakeholder groups will enable us to implement these ambitious initiatives in a cost-effective manner that will benefit hundreds of thousands of low income households over the next several years.

Thank you again for your support.

Aaron Gornstein

Patrick Administration Announces \$750,000 in Community Investment

Tax Credit Grant Awards

This month, DHCD Undersecretary Aaron Gornstein announced \$750,000 in Community Investment Tax Credit (CITC) grant awards for 28 community organizations across the Commonwealth. The grants will allow the Community Development Corporations to refine or implement Community Investment Plan that will support programs, policies and activities that lead to new economic opportunities.

The Community Investment Grant Program is designed to enable local residents and stakeholders to work with and through community development corporations to partner with nonprofit, public and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural, and suburban communities across the Commonwealth. Community Development Corporations do this through the adoption of community investment plans to undertake community development programs, policies, and activities.

The Department of Housing and Community Development is the administering agency for CITC and is responsible for managing the process by which the credits are allocated to eligible CDCs. The program was created in 2012 through the Jobs Bill signed by Governor Patrick in August 2012, and is available to CDCs through 2019. The tax credits are available from 2014 to 2019. DHCD will be issuing a NOFA for the tax credits this fall.

For a listing of grant award recipients, please visit www.mass.gov/dhcd

Governor Patrick Announces \$25.8 Million to Build or Preserve 694 Housing Units Across Massachusetts

Continuing the Patrick Administration's commitment to improving housing infrastructure to support growth and opportunity throughout the state, the Department of Housing and Community Development announced \$25.8 million in affordable housing resources and tax credits for nine developments in seven communities. In all, the nine projects will create 694 units of housing and an estimated 600 construction jobs.

"Creating affordable housing helps to generate jobs, grow local businesses and strengthen our communities" said Governor Deval Patrick. "Government's role is to help people help themselves, and sustainable affordable

housing will build a better Commonwealth for generations to come."

The \$25.8 million includes more than \$3.8 million in federal low-income housing tax credits, \$4.6 million in state low-income housing tax credits and \$17.2 million in state and federal housing program subsidies.

Of the 694 units, 644 will be affordable to low- and moderate-income individuals and households, with 125 units reserved for homeless families or individuals.



"The Patrick Administration has taken a comprehensive approach to housing in the Commonwealth that prioritizes permanent solutions that lead to stable, appropriate housing," said Aaron Gornstein, Undersecretary for the Department of Housing and Community Development and Chair of the Interagency Council on Housing and Homelessness. "By committing to expanding and improving affordable housing stock in Massachusetts, we are reducing homelessness and creating new opportunities for families."

Improving the housing stock at all levels is a priority for the Patrick Administration. In November, Governor Patrick announced a goal of creating 10,000 multi-family units of housing per year through 2020, the first production goal of this kind set by any state in the country. Along with creating new housing, the Administration has made significant investments in the Commonwealth's public housing stock, by preserving and improving the 46,000 housing units in the system through increased capital funding, increased operating subsidies, and changes in management of those resources.

Since 2009, the Patrick Administration has worked with the Legislature and Congress to direct over \$700 million in federal and state tax credits and state housing program subsidies to projects that improve the state's affordable housing, create jobs and build stronger communities. These investments have generated more than 14,000 jobs and 10,000 homes.

Administration Officials Host Multi-Family Housing Summit

On June 5, state and external stakeholders met at a "Multi-Family Housing Summit" to highlight progress and next steps toward the statewide goal of producing 10,000 multi-family homes annually through 2020. The Summit, convened by Secretary Bialecki and organized by DHCD, featured the announcement of an advisory council on multi-family housing and of a "Common Vision for Growth" issued jointly by our Secretariat, as well as the Executive Office of Energy and Environmental Affairs and MassDOT. Presentations were made by Secretary Bialecki, MassDOT Secretary Richard Davey, EEA Land Use Coordinator Kurt Gaertner, Deputy Undersecretary Arthur Jemison, and MAPC's Tim Reardon. The external stakeholders included municipal leaders,



Housing and Economic Secretary Greg Bialecki speaks at the Multi-family Housing Summit

major employers, real estate developers, and non-profit advocates.

In his presentation, Secretary Bialecki explained that the Multi-Family Housing Advisory Council would help develop a communications strategy on multi-family housing and serve as a sounding board for new policies and programs. The Secretary also elaborated on his May announcement that infrastructure and planning grants over the next two fiscal years would emphasize multi-family housing in mixed-use districts well-connected to employment, and economic development in weak or distressed areas.

Most of the summit was devoted to a discussion of next steps facilitated by Bill Fulton of the Governor's Institute on Community Design, a national organization aiding state governments on land use issues. The group discussed possible ways to communicate the value to communities of multi-family housing, to support municipalities in zoning and permitting for such housing, and to support developers in building in weaker markets and with more units affordable to moderate and middle income households.

DHCD Hosts Planning Conference

Over 250 people gathered at the Devens Common Center on May 7 for DHCD's Planning & Community Development Conference, "Planning. Production. Progress." The Conference focused on helping communities engage in planning, community and economic development, and housing production which support the Commonwealth's "Choose Growth" policies and sustainable development principles. Former Lieutenant Governor Murray opened the conference by announcing that the Administration would be making \$200,000 available to assist cities and towns in their planning to create Compact Neighborhood districts. Conference workshops addressed a number of topics, including zoning that supports multi-family housing development; fostering environments that attract and support a diversity of housing supplies; and managing revitalization and change over time. The day was capped off with remarks by Salem Mayor Kim Driscoll.



DHCD Deputy Undersecretary Arthur Jemison delivers remarks at the Planning & Community Development Conference

Updates From Around the Commonwealth



Mayor Michael Tautznik of Easthampton, Nancy Tavernier of Acton and David Hedison of the Chelmsford Housing Authority were all honored as "Housing Heroes" for their outstanding work in increasing the supply of affordable housing in their communities. The awards were given on June 12th by DHCD Undersecretary Aaron Gornstein at the Massachusetts Housing Partnership's seventh annual Housing Institute training for local officials and volunteers.



Undersecretary Gornstein joined Rogerson Communities for the Groundbreaking of 37 new units of affordable housing in Roxbury. All of the units in the Cooper House project will be affordable to tenants earning at or below 50% of the area median income and of those, 18 units will be reserved for tenants earning at or below 30% of area median income. The project is funded by the US Department of Housing and Urban Development and the Commonwealth's Department of Housing and Community Development.



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DHCD's Chief of Staff Steve Carvalho was on hand for a ribbon-cutting event to celebrate the completion of Action Inc's Home Together housing initiative -- four brand new, modern, energy-efficient, affordable townhouses specifically designed for families. Construction completed in May 2013 with funding provided by the Massachusetts Department of Housing and Community Development, North Shore HOME Consortium, Massachusetts Affordable Housing Trust Fund, Gloucester Affordable Housing Trust, U.S. Department of Housing and Urban Development, Franklin Square House Foundation, and First Ipswich Bank.

In Brief:

Housing Development Incentive Program: DHCD has approved HDIP zones to create market rate housing in six gateway cities: Chelsea, Haverhill, Holyoke, Lowell, Pittsfield, and Springfield. We have also awarded tax credits to two projects: Onota/Howard, a 39 unit development in Pittsfield and 44 Gerrish Avenue, a 46-unit development in Chelsea.

Domestic Violence and Homelessness: DHCD has been working closely with our partners to address the issue of domestic violence and the incidence of homelessness. This has included: a joint convening in June with providers of domestic violence services and Emergency Assistance (EA) providers to improve the referral process; increased training for DHCD staff; funding of more emergency beds through the Emergency Solutions Grant; and a state action plan for pursuing an integrated approach across state agencies through a joint effort of the Governor's Council to Address Sexual Assault and Domestic Violence and the Interagency Council on Housing and Homelessness.

Supportive Housing: Following the signing of an unprecedented Memorandum of Understanding (MOU) with 18 state agencies, DHCD and the Executive Office of Health and Human Services have convened a working group to implement the action plan contained in the MOU. From January through May 2013, the Patrick Administration has created or awarded funds to 278 units of supportive housing toward a three-year goal of 1,000 units.

New Regulations and Guidance: This spring, DHCD filed new regulations regarding Chapter 40R (smart growth zoning), Chapter 40T (preservation of expiring use properties), and the Community Investment Tax Credit Program. We also developed new guidelines for the Chapter 40B affordable housing law with significant input from stakeholder groups. All of the regulations can be found on our web site.

Rental Round: The One-Stop application deadline for the summer rental round is August 2nd. DHCD received more than 90 applications during the pre-application process and has invited 53 applications/project sponsors to apply for the rental round. The next funding round will be our first using an online submission (we are testing the online application with a select number of project sponsors during the summer round).

Veterans Housing: Under the Patrick Administration's homeless veterans plan, DHCD has set a goal of creating 250 units of permanent housing for formerly homeless veterans over the next three years. We recently received 80 additional VASH vouchers from HUD (bringing our total to 472) and announced the funding of Veterans Retreat (35 units) in Shrewsbury and Leeds Veterans Cooperative Housing (44 units) in Northampton.

Public Housing: This spring, DHCD adopted a new vacancy policy for state public housing to reduce the number of units that are vacant for more than 60 days. This year, DHCD also provided \$2 million to local housing authorities to repair units so they can be brought on line quickly. Other reforms that are under development include: required board member trainings; mandatory annual independent audits; creation of a central statewide waiting list; and benchmarking tools to assess LHA performance.

MassWorks: The MassWorks Infrastructure Program, run by the Executive Office of Housing and Economic Development (EOHED), has placed a new emphasis this year on the production of multifamily housing in mixed use districts that are well connected to significant employment opportunities. In addition, the overall spending goals for the current round include a goal that 50% or more of the total funding be in support of developments that contain a mix of residential and commercial uses, with a residential density of at least four units per acre. Applications for the 2013 round are due between September 3 and September 13 and can be found on the EOHED web site.